

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Paul & Deb Thompson,

Petitioners-Appellants,

v.

Grundy County Board of Review,

Respondent-Appellee.

ORDER

**Docket No. 11-38-0264
Parcel No. 8617-31-402-018**

On February 10, 2012, the above captioned appeal came on for consideration before the Iowa Property Assessment Appeal Board under Iowa Code sections 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. The Appellants Paul and Deb Thompson were self-represented and requested a written consideration. The Grundy County Board of Review was represented by County Attorney Kirby D. Schmidt. Both parties submitted evidence in support of their positions. The Appeal Board having reviewed the entire record and being fully advised, finds:

Findings of Fact

Paul and Deb Thompson, the owners of a residentially classified property located at 717 Tucker Trail, Conrad, Iowa, appeal from the Grundy County Board of Review decision regarding their 2011 property assessment. The January 1, 2011, assessment is allocated as follows: \$22,890 in land value and \$150,280 in improvement value for a total assessment of \$173,170.

The subject property is a one-story, frame, single-family residence built in 1995. The improvements include 1512 square feet of above-grade finish; a full, unfinished basement; and an attached 648 square-foot garage. Additional improvements include a 252 square-foot open porch and a 242 square-foot wood deck. The site is 0.611 acres.

The Thompsons protested their assessment to the Grundy County Board of Review. They contended the property was assessed for more than authorized by law under Iowa Code section 441.37(1)(b), asserting the correct fair market value was \$140,737, allocated as \$22,890 in land value and \$118,747 in improvement value. However, we note their letter to the Board of Review, as well as the evidence submitted, indicates the Thompson's are also asserting the assessment is not equitable as compared with the assessments of other similar property under Iowa Code section 441.37(1)(a).

The Board of Review denied the protest.

The Thompsons then appealed to this Board and reasserted their claim of over-assessment. Again, their evidence references a claim of equity. As such, we will consider both claims. They contend the correct value is \$156,374, allocated \$26,081 to the land and \$130,293 to the improvements.

Paul Thompson provided a list of properties sold in Conrad during the years of 2009 and 2010. The lists included twenty-one sales in 2009 and six sales in 2010. Each hand-written list included the street address, date of sale, sale price, assessed value¹, and the difference between assessed value and sales price expressed as a percentage. We assume the information is accurate, as Thompson stated the figures were taken from the Grundy County Assessor's office. Thompson also stated all sales were arm's length transactions, or normal sales. Essentially, Thompson is providing a ratio of the total sales prices to total assessed value of properties in his community, in an effort to show that his property is assessed for more than its fair market value or that the property is inequitably assessed compared to other similar properties.

The 2009 list (Exhibit 4) had sale prices ranging from \$42,000 to \$200,000, and 2009 assessments ranging from roughly \$39,000 to \$210,000. Thompson reports the differences between

¹ We assume, based on a reference in Exhibit 2 to an assessed value at the time of the October 2009 sale of 702 Tucker Trail, that the assessed values in Exhibit 3 refer to 2010 assessments, and assessed values in Exhibit 4 refer to 2009 assessments.

assessed value/sale prices ranged from -28.92% to 32.18%, meaning properties had sold from 28.92% less than the assessment to 32.18% more than the assessment. Thompson then added the sales prices for all properties and divided that number by the cumulative assessments for those properties. With this calculation, Thompson asserts the properties, as a whole, sold for .79% less than their assessments. Other than the sales being in Conrad, there are no additional details provided, and no adjustments made to the properties to ensure their similarity or comparability to the subject.

The 2010 list (Exhibit 3) had sale prices ranging from \$20,000 to \$172,000, and 2010 assessments ranging from roughly \$56,000 to \$175,000. Thompson reports the differences between assessed value/sale prices ranged from -64.95% to 0.88%. Using similar calculations, Thompson concluded 2010 sales in Conrad sold for 11.34% less than the associated assessments. Thompson asserts this data indicates homes in Conrad are selling for considerably less (in his opinion, 11.34% less) than their associated assessed values, and is evidence that his property's assessment should not have gone up in 2011. We note this analysis is very generalized. There is no indication the sales considered are comparable to the subject. Given the wide range of sale prices it would seem unlikely that all of the properties are similar. Further, one sale at 306 Center Street sold for \$20,000 but was assessed for \$57,069. Without any further information on this property, this sale would have the tendency to skew the data. We hesitate to rely on this data because of over-generalizations and failure to identify only those properties which are most similar to the subject property.

Thompson also provides 2010 sales for each of the following communities: Grundy Center, Dike, Holland, Wellsburg, and Reinbeck. It is his opinion the sales in these communities, compared to their assessments, show that homes are selling "significantly higher than their assessed values" thus warranting higher assessments in those communities. He goes on to state that these communities are located thirteen miles from Conrad, and as such, he does not believe their housing markets would be comparable to Conrad's housing market. He asserts these other markets should not impact the market

value of his property. Without additional information on these communities and their comparability to Conrad, we hesitate to assume they are not comparable simply because they are located thirteen miles away. Further, it is suspect that every other community in Grundy Center identified by Thompson experienced an increase in market sales prices, while Conrad experienced a decrease. Again, we find the data to be general in nature and it is unknown which, if any, of the properties may be similar to the subject property. We give this information limited consideration.

The Board of Review provided two exhibits. Exhibit A is described as a “summary page of property sales described by appellant.” We are unclear what this description means because Exhibit A generally includes a list of nineteen properties which do not appear to have been considered or listed by the Thompsons. This list includes the parcel number, street address, total assessed value, total living area, and assessed value per square foot. Additionally, there is a second list of four “sales” which were all on Thompson’s “Conrad home sales 2009” spreadsheet.

Exhibit B is a statement from Grundy County Assessor John Frese, which attempts to explain Exhibit A. Frese stated the first list of nineteen properties shows changes were made equitably among other properties in the area. This list shows a range an assessed value per square foot of \$80 to \$147, compared to the subject’s assessed value per square foot of \$115, which falls within this range. We also note the median is \$105, which is below the subject’s assessed value per square foot. We do not find this information to represent a ratio analysis as there are no sales compared to the assessments. Based solely on an assessed value per square foot, the subject property is within the range of other properties in the immediate area. However, the actual comparability of those properties has not been determined. Similar to Thompson’s evidence, the Board of Review offers evidence of unadjusted properties. While the information presented indicates the properties are generally similar in size, and many appear to be located on the same street, it is unknown what style, age, or quality the properties are compared to the subject property.

Frese also referenced the four sales previously identified by Thompson that are located at 110 Oakwood, 702 Tucker Trail, 410 Grundy Avenue, and 115 Jason Road. In this instance, he provides the sale prices and sale price per square foot and compared this to the subject's assessed value per square foot, asserting it demonstrates equity. He believes 410 Grundy Avenue is the most similar to the subject property, as it was built in the same year and has within 290 square feet of total living area. Grundy Avenue does feature basement finish which the subject does not. Frese asserts the price per square foot of the Grundy Avenue property of \$131 supports the assessment per square foot of the subject property of \$115. While we agree it would appear, based on this sale, the subject is not over-assessed; we give it limited consideration because it lacks adjustments for differences.

Reviewing all the evidence, we find the preponderance of evidence does not support the Thompsons' claim that the property is over-assessed. The burden of proof lies with the Thompsons and they failed to show the property was inequitably assessed or assessed for more than authorized by law.

Conclusions of Law

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2011). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). But new or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment*

Appeal Bd., 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a).

To prove inequity, a taxpayer may show that an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shriver*, 257 Iowa 575, 133 N.W.2d 709 (1965). The six criteria include evidence showing

“(1) that there are several other properties within a reasonable area similar and comparable . . . (2) the amount of the assessments on those properties, (3) the actual value of the comparable properties, (4) the actual value of the [subject] property, (5) the assessment complained of, and (6) that by a comparison [the] property is assessed at a higher proportion of its actual value than the ratio existing between the assessed and the actual valuations of the similar and comparable properties, thus creating a discrimination.”

Id. at 579-580. The gist of this test is the ratio difference between assessment and market value, even though Iowa law now requires assessments to be 100% of market value. § 441.21(1). The Thompsons did not provide sufficient evidence to support a claim of inequity. It appears Thompson was attempting to prove his property is inequitably assessed by demonstrating a ratio between the total sales prices and the total assessments for properties in Conrad. However, he does not identify the properties in a manner that would enable us to determine if they are similar to his property. Given the wide range of sales prices and assessments, it appears several may not be similar and we conclude this data has limited persuasiveness on a claim of inequity in the assessment.

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property’s fair and reasonable market value. *Id.* “Market value” essentially is defined as the value established in an arm's-length sale of the property. § 441.21(1)(b). Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If

sales are not available, "other factors" may be considered in arriving at market value. § 441.21(2).

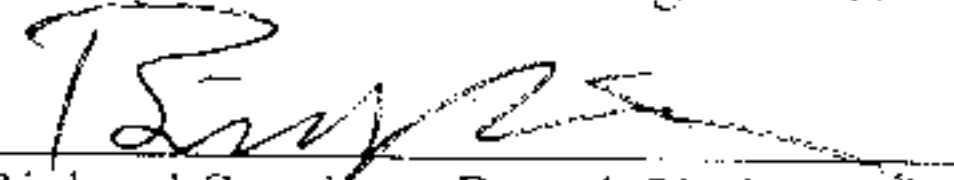
The assessed value of the property "shall be one hundred percent of its actual value." § 441.21(1)(a).

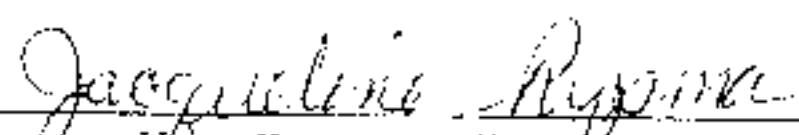
In an appeal that alleges the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(b), there must be evidence that the assessment is excessive and the correct value of the property. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). The Thompsons failed to submit persuasive evidence to support a claim of over-assessment. Therefore, we affirm the assessment of Paul and Deb Thompson's property.

THE APPEAL BOARD ORDERS the assessment of Paul and Deb Thompson's property located at 717 Tucker Trail, Conrad, Iowa, of \$173,100, as of January 1, 2011, set by Grundy County Board of Review, is affirmed.

Dated this 17 day of April, 2012.


Karen Oberman, Presiding Officer


Richard Stradley, Board Chair


Jacqueline Rypma, Board Member

Cc:

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Certificate of Service	
The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on <u>4-17</u> , 2012	
By:	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX
	<input type="checkbox"/> Hand Delivered <input type="checkbox"/> Overnight Courier
Signature	